

Central Intelligence Agency



Washington, D.C. 20505

29 December 1987

[Redacted]
Central Intelligence Agency
Washington, D.C. 20505

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Dear [Redacted]

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Now that the dust has settled, I want to express my thanks for the wonderful job Printing and Photography Division did in preparing the Special Counsel's Report. Your work was first-rate and your willingness to turn around drafts on short notice was most appreciated. The resulting product reflects the professionalism of you and your staff.

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Again many thanks for your assistance.

Sincerely,

[Redacted]
Special Counsel to the Director

cc: [Redacted]
DD/P&PD

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16 December 1987

STATEMENT OF WILLIAM H. WEBSTER REGARDING THE IRAN-CONTRA MATTER

I have completed my study of a report prepared by a Special Counsel appointed by me to review the role of the Agency and Agency personnel in the Iran-Contra matter. The following is a summary of the Report's conclusions.

1. The Agency's first involvement in the Iranian initiative occurred in the fall of 1985 when the Agency increased intelligence collection on certain Iranian targets at the request of the NSC Staff. This assistance did not violate any statutory provisions or Agency regulations.

2. In November 1985, an Agency proprietary transported HAWK missiles from Israel to Iran. Agency assistance in connection with this flight was in violation of an Agency regulation that requires DCI approval in advance of assistance to the White House staff. Moreover, this assistance should not have been undertaken in the absence of a Presidential Finding.

3. In early December 1985, the Agency made known to the White House its negative views of Manucher Ghorbanifar's reliability and trustworthiness, and questioned the purported existence of a moderate faction in Iran. Ghorbanifar subsequently was polygraphed by the Agency and showed deception to virtually all questions. These results were reported to Oliver North in January 1986.

4. After a Presidential Finding was signed, the Agency provided logistical and other assistance in connection with the transfer of TOW missiles and HAWK missile spare parts to Iran and in connection with a number of meetings between U.S. Government officials and representatives of Iran. This assistance was appropriately authorized by the Finding. The Finding instructed that the Agency not notify Congress of these activities.

5. Agency officers heard references to a possible diversion of funds to the Contras as early as January 1986. These references were thought to be implausible. During the summer of 1986, these officers were also aware of Iranian complaints that they had been overcharged for the missiles. These complaints raised concerns that the Iranians might cancel the operation. In the fall of 1986, further information came to the attention of the officers working on the initiative. This information was brought to the attention of the National Security Advisor. The evidence was not so strong that anyone concluded a diversion had occurred.

6. Two Agency field managers engaged in improper activities between September 1985 and February 1987 in connection with assistance to the Contras. The improper activities included assistance in connection with private benefactor resupply flights, transporting Contra supplies and equipment in Agency helicopters, and other logistical assistance undertaken at a time when assistance was prohibited by Agency policy

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I also have initiated actions to strengthen senior management review of covert activities. The covert action review process will be institutionalized in Agency headquarters regulations. The Agency's senior management must meet to review all proposed Findings and related documents that are to be forwarded to the National Security Council. Senior management also conducts a semi-annual review of each covert action program. Additionally, steps have been taken to strengthen senior management oversight of the use of Agency proprietaries.

Other actions taken include the issuance of guidelines for interagency intelligence production intended to foster an environment for the maximum objectivity of intelligence assessments and to help insulate intelligence analysis from political influence. Additionally, periodic reports of ongoing assistance to the White House will be provided to a senior Agency official to ensure that such requests stay within their approved scope.

The Special Counsel commenced his review September 1, 1987. In compiling the Report, the Special Counsel reviewed the findings of the Tower Commission, the Senate Select Committee on Intelligence, the Congressional Iran-Contra Committees, and relevant reports of the Inspector General. The Special Counsel did not have access to any materials or information developed during the course of the investigation being conducted by Independent Counsel Lawrence Walsh.

The Report of the Special Counsel, which is classified, will be furnished in its entirety to the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence.

This has been a testing chapter in the history of the CIA. A number of people who engaged in activities determined to be improper have been disciplined. On the other hand, I am proud to note that evidence in the record suggests that the overwhelming majority of our employees acted in a professional and competent manner within the policy and legal guidance with which they were provided. I hope that the actions I have announced today will put this chapter behind us, will strengthen us as an organization and, with lessons learned, will enable us to continue to conduct our important mission for the American people.

MEMORANDUM FOR: Mona

As requested, enclosed are five copies of the Iran-Contra Report. Each copy has a name and a number. Please be sure the correct copy goes to each individual.

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Date 28 December 1987

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